

Iraq to attend games in Syria

SACRED (AP) — The National Olympic Committee says it has reversed its decision to boycott the Arab Games in Syria, in November, newspapers reported Tuesday. The decision came amid efforts by Saudi Arabia, Jordan, Egypt and other Arab countries to persuade Iraqi President Saddam Hussein and Syrian President Hafez Al-Assad to end an 18-month-old rift. Al-Nashashabi's major dealer published a statement by a "political leadership." It said the committee will begin preparations to take part in the games. The spokesman, who was not named, said the decision to support the games was taken for "purely technical reasons." He did not elaborate, but he stressed that the latest decision was taken in line with Iraq's desire to join Arab ranks and in response to requests from our brothers in Saudi Arabia." Assad refused to attend an emergency Arab summit in Baghdad last month. But the two countries have halted their propaganda campaigns against each other since then.

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Deputies return from Libya

AMMAN (Petra) — A Jordanian parliamentary delegation returned home Tuesday at the end of a week-long visit to Libya, during which they met with Libyan leader Muammar Qadhafi and several Libyan officials. In an arrival statement, members of the delegation said Qadhafi landed Jordan's democratic experiment and expressed high appreciation for His Majesty King Hussein's historical sounds towards all pan-Arab issues. Qadhafi stressed the importance of forging closer Jordanian-Libyan cooperation in various fields. The delegation comprised Lower House of Parliament members Nayef Al-Haddid, Salim Al-Zabi and Abdil Mun'im Abu Zant. During their visit, the delegation members also attended a celebration held to mark hoisting the Jordanian flag over the Jordanian embassy in Tripoli.

Turkey, Iraq and Syria hold meeting

ANKARA (AP) — Turkey, Syria and Iraq opened a two-day ministers' meeting Tuesday to try to resolve a regional conflict over the use of Euphrates Waters. Tension has flared in the region since Turkey diverted the main flow of the Euphrates River from Jan. 13 to Feb. 13 to fill the reservoir of its giant Ataturk Dam. In an opening speech, Turkey's public works minister, Cengiz Altintay, said the three ministers would exchange views on the utilization of water and seek a solution serving the interests of each country. Iraq was represented by Agriculture and Irrigation Minister Abdul Wahab Mahmud Al-Sabah and Syria sent Irrigation Minister Abdol Rahim Al-Medani.

Ties urges army to be vigilant

DAMASCUS (R) — Syrian Defense Minister Major General Mustafa Tias has told his armed forces to be vigilant in case of Israeli attack. Official spokesman Tuesday quoted Tias as telling soldiers that any Israeli attack would prove costly for the Jewish state. "The current stage... requires our armed forces to double their vigilance, combat capabilities and readiness to enter liberation battles successfully," they quoted Tias as telling soldiers after attending a military exercise. "Our armed forces would confront (Israeli) aggression with all possible means to restore the usurped rights and liberate the land and dignity," he said.

Kuwait's new assembly to meet July 9

KUWAIT (R) — Kuwait's newly-elected National Assembly will hold its inaugural session July 9, the emir, Sheikh Jaber Al-Ahmad Al-Sabah has decreed. The chief mandate of the four-year house will be to review the country's previous parliamentary experiences and make non-binding recommendations on the future of democracy there. Kuwaitis elected 50 of the assembly's 75 deputies June 10. The emir will appoint the remaining 25.

Moscow denies nuclear weapons moved from Baltics

MOSCOW (R) — The Soviet Union denied Tuesday that it was removing nuclear weapons from the Baltic republics and other sensitive regions. "There is no need to move Soviet army units with nuclear weapons on Soviet territory," Foreign Ministry spokesman Gennady Genesimov quoted a Defense Ministry statement as saying. "Therefore there are no changes being made in the stationing of these units." Reuters last week quoted NATO sources as saying that nuclear weapons were being moved.

England beats Belgium

BOLZOGNA (R) — England beat Belgium 1-0 after extra time in their World Cup second round match Tuesday. Scorer: David Platt (119th minute).

Jordan Times

An independent Arab political daily published by the Jordan Press Foundation

جريدة الأردن تأسست يومية تصدر بالإنجليزية عن المؤسسة الصحفية الأردنية، الرأي.



His Majesty King Hussein Tuesday addresses a batch of graduating Armed Forces officers from Muta University (Petra photo).

King underscores challenges facing Armed Forces

AMMAN (J.T.) — His Majesty King Hussein Tuesday attended the graduation of the third batch of military officers from Muta University near Karak and told the graduates that the Arab Nation was counting on their serious efforts to overcome the challenges it is now facing.

"At this historic moment, I feel that we can continue the march from the hills and plains of Muta which witnessed a great battle at the outset of the Islamic era," the King told the graduates.

"You are a source of great pride for your nation because you will be joining the ranks of the Armed Forces to participate in the process of defending the homeland with honour," the King said in a speech at the graduation ceremony.

"At this historic moment there is no need to remind you of the dangers posed to your country and nation and the challenges and responsibilities awaiting you because I know the society that begot you and the solid values and principles on which your training has been based," King Hussein said.

"You have the honour to be affiliated with the Arab army, which has been built up with great endeavours and which has been true to the spirit of its mission and has become the source of pride for every citizen in Jordan," King Hussein told the graduates.

He said the armed forces would continue to serve as a "strong shield, protecting the country and a spear in the hands of the nation" to fight the enemy.

"Jordan will never be an easy prey for any one; it will rather remain true to its nation," the King stressed.

"Jordan had been aware of enemy ambitious designs in the past and it realises the enemy's present designs in our land and the means by which this enemy is trying to achieve its goals," he

Rescue teams struggle to reach Iran quake zones

TEHRAN (Agencies) — Rescue workers struggled Tuesday to reach remote villages in northwest Iran but had virtually no hope of finding survivors from last week's earthquake which killed 50,000 people.

In Tehran, praise for the generous international response to the disaster overshadowed the radical opposition to foreign aid.

Tehran Radio said 127 planes carrying supplies and medical and search teams from foreign countries had landed at Teheran's Mehrabad airport by midnight Monday.

"The timely presence of foreign forces with advanced and complete equipment has been effective in search, rescue, treatment and burial of the victims," Interior Minister Abdullab Nouri told reporters.

"We have no problem... in using humanitarian aid from foreign countries."

Nouri said that "99 per cent" of the bodies of the dead in the earthquake have been recovered, but he said an accurate casualty count has not yet been made.

Officials have said, however, that Thursday's earthquake killed as many as 50,000 people, injured 200,000 and left 500,000 homeless.

Christian Branner, a relief worker with the West German Red Cross, said the death toll could reach as high as 60,000 to 70,000. He said the number of large families packed together in houses that crumbled made such figures plausible.

Amid a swelling squabble between Iran's moderates and anti-Western radicals over permitting a major international relief operation, Nouri said that foreign relief teams are "welcome."

Nouri, a middle-ranking cleric who is in charge of relief operations, said: "Counting of the dead and injured has started as of Monday... I dare say that 99 per cent of the bodies have been pulled from the rubble."

The Agriculture Ministry announced Tuesday it had taken direct control of rice and tea harvests in the quake-hit Gilan province, the Iranian News Agency IRNA reported.

With the harvest only six weeks

away, Iran faces a shortage of rice and tea as many farmers and agricultural workers were killed by the quake, it said.

Gilan, on the Caspian Coast, grows almost all Iran's tea crop and much of its rice.

Teheran radio said medical teams from France, West Germany, Japan, Spain, Syria and the Soviet Republic of Azerbaijan were treating the injured in Gilan, the worst-hit province.

Fifty-nine Czechoslovak doctors and nurses set up a field hospital in the neighbouring Zanjan province Tuesday, it added.

Western diplomats say they are cautiously optimistic that a flood of Western relief to Iran after the quake could strengthen President Ali Akbar Hashemi Rafsanjani's efforts to open up Iran and end its isolation since the 1979 Islamic revolution.

The official line of welcoming aid even from longtime enemies such as the United States won a new backer Tuesday. Kayhan International, a usually anti-Western daily, blasted the strident rhetoric of other radical newspapers.

"Iran has almost been isolated from the entire world because of this irresponsible exercise of 'freedom of expression' by the press which have managed to make the entire world the enemy of Iran and have not stopped yet," the English-language daily said.

It said Iranians were grateful for the international aid rushed to the country after the quake.

In parliament, speeches echoed a broad debate taking place on street corners and in harsh newspaper editorials on the effect of the aid on Iran's external relations.

Deputy Ayatollah Sadegh Khalkhali said the reported donation by British author Salman Rushdie to a quake relief fund would not change the death sentence against him.

Rushdie has pledged £5,000 (\$8,650) to help Iranian earthquake victims, the Independent newspaper said earlier.

Independent editor Andreas Whittam Smith said Rushdie told the newspaper by telephone that he intended to make the donation.

Shamir's statement, which

EC summit flails Israel

DUBLIN (Agencies) — The 12 European Community (EC) leaders Tuesday forcefully condemned Israel, saying its human rights record in the occupied territories was lamentable.

In a sharply worded statement, they pledged to double aid to Palestinians in the occupied territories and open a permanent EC office there.

At the end of their two-day summit, the 12 EC leaders also criticised Israel for resettling Soviet Jews in the occupied territories.

Reprimanding Israel in strong language, the 12 EC leaders said: "The lamentable position concerning the observance of human rights in the occupied territories has led the community and its member states to set out repeatedly their concern."

"It is, however, firmly of the view that this right must not be implemented at the expense of the rights of the Palestinians in

the occupied territories."

In an apparent reference to the war of words between Iraq and Israel, the leaders said: "Threats of war and the use of weapons of mass destruction serve only to increase tension in the region and should be eschewed."

But there was one noticeable omission from the EC declaration released at Dublin Castle.

The leaders avoided making any recommendation to the United States to resume its dialogue with the Palestine Liberation Organisation.

Israeli Prime Minister Yitzhak Shamir, hoping to tone down EC criticism of Israel, wrote to the EC leaders in advance of their Dublin summit.

In their final communiqué,

(Continued on page 3)

Israel sends conflicting signals on immigrants

TEL AVIV (Agencies) — Israeli leaders sent conflicting signals Tuesday whether the Jewish state had undertaken not to settle Soviet Jewish immigrants in the occupied West Bank and Gaza Strip.

Prime Minister Yitzhak Shamir said the policy of his new right-wing government does not forbid Soviet Jewish immigrants from settling in the occupied territories, but his Finance Minister Yitzhak Modai said Israel would comply with a Soviet demand not to settle the new arrivals in the West Bank and Gaza Strip.

The United States meanwhile cautiously welcomed a surprise statement by hawkish Housing Minister Ariel Sharon that Israel would not settle Soviet Jews in the occupied territories but would continue its policy of proving other Jews there.

Shamir's comments were meant to clarify those of Sharon. The Hebrew daily newspaper Maariv also

quoted Shamir as saying Sharon's statement did not apply to Arab Jerusalem.

Shamir, the 62-year-old "hero" of hardliners known for leading Israel into Lebanon in 1982, makes no secret of his aspiration for the top political seat.

When Shamir formed a new government, analysts said Sharon would use his job to cast a giant shadow over the premier.

Nicknamed the "immigration czar," Sharon has control over the settlement of the massive immigration wave expected to bring up to 250,000 Soviet Jews to Israel this year alone.

Shamir is a leading opponent of Shamir's plan to let the 1.75 million Palestinians of the occupied territories hold elections and of U.S. proposals for Israeli-Palestinian talks.

A contradictory comment came from Modai, the finance

minister, who said that "if the Russians make it condition that they don't want Russian Jewry to settle because of their political considerations and interests, we will abide by it because we want Russian Jewry under any conditions under any circumstances."

Modai was the first senior cabinet minister to specify that Israel was responding to demands from Moscow when Sharon made his promise Sunday.

Soviet President Mikhail Gorbachev threatened at a Washington summit last month to curb Jewish emigration in the absence of Israeli assurances.

Asked if Israel was surrendering to pressure, Modai said: "Well, it's surrendering to pressure as far as Russian Jewry goes. What other pressure is there?"

Modai said Prime Minister Yitzhak Shamir's new rightist coalition, which took office this



Finnish Foreign Minister Pertti Paasio Tuesday plants a tree at the Scandinavian Forest outside Amman (photo by Yousef Al-Allan)

Finnish minister arrives, voices opposition to settlement of emigres

By Mariam M. Shahin
Jordan Times Staff Reporter

AMMAN — Finland's Deputy Prime Minister and Foreign Minister Pertti Paasio arrived here Tuesday for talks with senior Jordanian officials on bilateral relations and the Middle East situation, including Soviet Jewish immigration and efforts to settle the Arab-Israeli conflict.

In an apparent bid to allay Jordanian and Arab concern that Finland could serve as a transit point en route to Israel for hundreds of thousands of Soviet Jews, Paasio said in a statement he gave to Jordan Television that his country opposed the settlement of Soviet Jewish emigres in the occupied territories. Such settlement, he said, violates United Nations resolutions.

He said his swing through the Middle East which has already taken him to Syria was warranted after his country joined the United Nations Security Council in light of the fact that Finnish troops are serving with United Nations peacekeeping forces in the region.

Finland supports a just and comprehensive peace settlement in the Middle East, the minister said by Agriculture Minister Suleiman Arabyat and other senior Jordanian and Scandinavian officials.

Tuesday evening, Paasio attended a dinner held in his honour by the Jordanian-Scandinavian Friendship Association, which is chaired by Chief Chamberlain Prince Ra'd Ben Zaid.

In addition to talks with members of the Foreign Affairs Committee of the Lower House of Parliament. The possibility of a meeting with His Majesty King Hussein was not excluded by Finnish consulate officials.

Lebanese premier insists no change in Taif Accord

MANAMA (Agencies) — Lebanese Prime Minister Salim Hoss Tuesday ruled out any changes in an Arab League-brokered peace accord aimed at ending Lebanon's 15-year-old civil war, despite demands by Christians who oppose it.

"We reject any call for amending the accord" endorsed by Lebanon's parliament in the Saudi Arabian resort of Taif last October, Hoss told a news conference.

"There's no way the Taif accord can be amended, because if we start this we slip into a vicious circle wherein everyone would ask for modifications of his own, and this would take us back to the pre-Taif stage, or even worse," he declared.

Rebel army Gen. Michel Aoun has rejected the accord, which will give Lebanon's Muslim majority equal power with the long dominant Christians, because it does not guarantee the withdrawal of 40,000 Syrian troops.

They have been based in Lebanon since 1976 under an Arab League peacekeeping mandate. Aoun considers them an army of occupation.

Hoss noted that "the future of the Syrian military presence in Lebanon has been clearly defined

in the Taif Accord."

Aoun has said he will not accept the treaty until there are changes that "bring about a balance between the executive and legislative branches of the government."

Hoss said that Lebanon was "in much better shape now" and that "anti-legitimacy voices have been subsiding in the Lebanese arena."

The voices that had demanded partitioning of the country have been hushed," he said.

Lebanese who fled the war "have been returning to their homes irrespective of their creed and political leanings. This means that the sectarian basis of the conflict has been shed, hopefully for ever."

Shi'ites clash in south Beirut

In Lebanon, rival Shi'ite militias fought in the Syrian-controlled southern suburbs of Beirut Tuesday, sending motorists and residents rushing for cover, security sources said.

They said at least three people

Man arrested in Kuwait over kidnapping of prince in Manila

MANILA (AP) — An Arab has been arrested in Kuwait in the kidnapping of a Kuwaiti prince and his son in Manila, an official of the National Bureau of Investigation said Tuesday.

The official, who spoke on condition of anonymity, said the man would be brought to Manila this week for questioning in the kidnapping of Sheikh Salman Al Sabah and his 12-year-old son, Faisal, who disappeared in Manila in August 1989.

The official refused to identify the kidnapper or provide details of the arrest.

Philippine authorities were informed of the kidnapping only early this year, a source in the Department of Foreign Affairs said.

The source said the Kuwaiti government first sent its own people to search for the prince "informally" before informing authorities here that he was kidnapped.

Also Tuesday, a Saudi Arabian diplomat said Sabah had gone to the Saudi embassy in Manila last Aug. 8 to ask for travel documents after losing his and his son's passports in Baguio.

Sabah was asked to return after two days but never came back, the diplomat said.

Kuwait does not maintain an embassy in Manila.

In an Aug. 2 letter to the Saudi embassy explaining the loss of his passport, Sabah said he had travelled to Baguio with three Palestinians he identified as Ibrahim Swidan, Swidan's wife and Ahmad Yusuf.

He said the three were Manila residents who arranged his trip to Manila.

Sabah said that while in a restaurant in Baguio, Ahmad asked to be excused to buy cigarettes but took three hours

before rejoining them.

When the group returned to their hotel, Sabah said, he found his room open and his and his son's passports missing.

A department of foreign affairs official said Sabah was looking for a faith healer in Baguio to cure an unspecified ailment of his son.

Another foreign affairs official, Vicente Perez, assistant secretary for intelligence and security, said the government was "concerned about the impact of this (kidnapping) on the image of the country. They came here incognito and we can't even project them."

"We are looking at several leads. One of those is the political angle," Perez said.

The Palestinian envoy in Manila, Mohammad Hamdona, would not confirm nor deny that the three Palestinians mentioned in Sabah's letter were residents in Manila.

Arabs supplied the fund was "an

immediate necessity, first to consolidate legitimacy and security and then to spread investments. There is no way for anyone to seek security for investments before that fund can become operational."

Bahrain's Emir, Sheikh Isa Ibn Salman Al Khalifa, like the other leaders Hoss has met, affirmed all-out support for the Taif Accord.

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Hureibi was the second Amal official to be assassinated in South Lebanon in three days. Hussein Hijazi was killed Sunday when a car bomb exploded near his motor convoy in the village of Ghazieh.

The fighting blocked traffic along part of the highway running to Beirut International Airport on the city's southern edge, a police spokesman said.

They said at least three people

Israelis arrest leader of extremist group

TEL AVIV (R) — Israeli police have arrested the suspected leader of the shadowy Sicari Group of Jewish zealots responsible for attacks and threats against peace activists.

The Tel Aviv magistrate's court Tuesday lifted a ban on publishing the name of Yoel Adler, 45, a member of extreme-right movements, including the anti-Arab Kach Movement of Rabbi Meir Kahane and a founder of the Tehiya parliamentary faction.

It was the first arrest in nearly two years of police inquiries into the mysterious Sicari Group, named after a sect of Jewish zealots who murdered collaborators with Rome in Biblical times.

Adler, in custody since June 3, has not been charged yet. His lawyer, Yair Golan, said: "He denies all the suspicions against him and claims he had no connection to what his investigators accuse him of."

Army radio said that in a closed door hearing the Tel Aviv court ordered that Adler should be released until charges could be brought against him.

The Sicari — Latin for daggers — took responsibility for a spate of attacks on well-known Israeli intellectuals and leftists and for threats against newspapers.

Its activities raised fears that an extreme rightist underground could emerge in Israel.

U.N. resolutions have demanded the withdrawal of an estimated 30,000 Turkish troops and 50,000 settlers from the north and the return there of 200,000 Greek Cypriot refugees.

U.S. administrations have been required to report to Congress every two months on the Cyprus situation since a congressional arms embargo on Turkey was lifted in 1975. It had been imposed for Turkey's illegal use of U.S.-supplied weapons.

Bush appointed a special ambassador, Nelson Ledsky, two years ago to coordinate reunification efforts in Cyprus.

Fantis told reporters that

"those responsible for drafting the report ignored the role played in the elections by the mainland settlers... and the interference by Turkey."

"Consequently they are wrong in their interpretation that under these circumstances the percentage of Turkish Cypriots that voted for Denktash is considerable," he said.

The 120,000-strong Turkish Cypriots, who form 18 per cent of the island's population, proclaimed a breakaway state in the north in 1983. It is recognised only by Turkey.

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Adler, a contractor, is active in the Temple Mount Faithful, a Jewish sect which wants to rebuild the Jewish Temple in place of Al Aqsa Mosque in Jerusalem's walled Old City.

The Tehiya Party, a partner in Prime Minister Yitzhak Shamir's right-wing government, tried to distance itself from Adler, who frequently complained to police about leftists who had contact with Arabs.

Tehiya said Adler was a founder of the movement but had been expelled.

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Injured earthquake victims lie on the tarmac at Tehran Airport after being flown in from the disaster zone by the air force for medical treatment.

Tents, blankets and medicine still needed in Iran

GENEVA (R) — Iran still needs tents, blankets and medical supplies to cope with last Thursday's earthquake, the U.N. Disaster Relief Organisation (UNDRO) said Tuesday.

"Our delegates on the spot confirm that there is a massive flow of aid coming in at this moment from various countries, a great number of relief flights arriving in Tehran," said Fabrizio Gentiloni, a senior relief coordinator for UNDRO.

He said that with about 500,000 homeless, the need for shelter along with such items as collapsible water containers to help prevent water-borne diseases was a main priority.

Up to 50,000 people died in the earthquake in the Caspian region of north-west Iran.

The Iranians now have more than enough heavy-duty equipment such as bulldozers and cranes, he said.

Medical equipment was still needed, though the situation remained confused on whether the Iranians wanted medical personnel.

"They have a sufficient number of doctors," Gentiloni told a news conference.

Many foreign doctors and relief workers in Tehran have said otherwise, charging that they are being hampered from going out to villages where there are plainly not enough doctors or experienced nurses.

Gentiloni said UNDRO has been informed so far of \$12 million

of foreign relief aid from 80 countries.

The actual figure was likely to be much higher since some agencies have said they were sending in planeloads without specifying the value.

About \$170 million of aid was sent to Soviet Armenia after a huge earthquake there in 1988; a figure UNDRO reached only after six months of calculations.

As the search-and-rescue phase passed in Iran, the United Nations was now devoting part of its attention to providing safe water supplies.

Gentiloni said the various U.N. agencies working in Tehran were discussing water and sanitation in a meeting Tuesday afternoon.



UNDRO said Monday 90 per cent of the buildings in the north-western Iranian town of Manjil were destroyed in the earthquake.

The Geneva-based agency, in a statement quoting delegates in the field, said that 70 per cent of Rudbar and 60 per cent of Loushan was ruined. Both towns were in the Shurud River Valley.

UNDRO gave no fresh estimate of casualties but said 500,000 of the area's four million people were left homeless by the quake. Half of them had already been given temporary shelter in tents provided by the Iranian Red Crescent.

UNDRO described Iranian

and international relief operations as "massive and effective."

International assistance reported to UNDRO from 13 governments, the European Community, the OPEC fund, the United Nations, the Red Cross and Red Crescent societies and other organisations amounted to \$11 million, UNDRO added.

In Bern, the Swiss Corps for Disaster Relief said it was sending five more experts, including a drinking-water specialist and an epidemiologist, to Iran Tuesday.

Ludmilla Kabakova of the Soviet Red Cross and Red Crescent Societies said the first plane load of aid sent Saturday included nine doctors and a 12-member rescue unit from Armenia.

Soviet aid workers, including 120 doctors and 50 ambulances, were also moving overland from Azerbaijan. The Soviet News Agency TASS said a group of seismologists left Azerbaijan for the stricken areas.

The Swedish government pledged 15 million crowns (\$2.4 million) in new aid Monday, in addition to five million crowns (\$300,000) already promised.

The Belgian government said it was giving 15 million francs (\$440,000) to two humanitarian agencies — the Belgian Red Cross and Médecins Sans Frontières — to help with earthquake relief.

But next year, at the latest, the picture will be different," he told the newspaper.

Riyad's cut ties with Tehran in 1988 following an anti-Western riot in Mecca in 1987 when 400 people, mainly Iranian pilgrims, were killed in clashes with Saudi

security forces.

Saudi Arabia, long at odds with Iran over its fundamentalist Islamic policies, is sending 40 C-130 transport planes loaded with earthquake relief aid to Tehran.

King Fahd ordered the airlift after sending a rare message Saturday to Iranian President Ali Akbar Hashemi Rafsanjani expressing condolences for the quake victims.

Oman has played a major role in mediating between the two sides, and in efforts to reach a final peace between former war combatants Iran and Iraq, which agreed a ceasefire in 1988.

Alawi, who has visited Iran several times, said that Iran and Iraq had narrowed their differences.

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Home News

Jordan has set an Arab model for democracy — Arar

AMMAN (Petra) — Lower House of Parliament Speaker Suleiman Arar Tuesday said Jordan's democratic experiment was appreciated by the world at large and the Arab World in particular. In a lecture on Jordan's democratic experience he delivered at Yarmouk University Tuesday, Arar said that since the holding of free parliamentary elections in Jordan the world had been looking with great appreciation at Jordan's first steps towards democratisation. "Moreover, there have been calls for following the example Jordan has



charted from various parts of the Arab World," Arar said.

He added that many Arab countries were watching with great care Jordan's democratic experiment, "which set the grounds for democratisation in many Arab countries." He attributed the increased interest in democracy to the failure of all the Arab regimes in countering the Israeli aggressors.

Arar concluded that the democratic solution means the emergence of social and political trends in the form of parties, which

should be supported and encouraged if the experiment is to succeed.

He pointed out that democracy is the solution for the various problems facing all societies.

JNSL studies ship deal involving phosphate sale

By Joumana Halasa
Staff Writer

Jeddah-based Islamic Development Bank (IDB), which is offering \$13 million in soft-term loan, sources said.

IDB officials have been in constant contact with JNSL officials studying various options available to the shipping lines, company officials told the Jordan Times. "The IDB has found that acquiring another ship will be very beneficial to Jordan," said a JNSL official speaking on condition of anonymity.

One of the problems faced by the company is the terms imposed by the IDB, the official said. "They stipulate that their financing will be available only if the ship has been in operation for less than 15 years (in the case of freighters) and 25 years (in the case of passenger vessels)," he said. Considering some of the offers we have these conditions are difficult to meet."

The JNSL currently operates cargo and passenger services between Aqaba and Nuweiba in Sinai, in addition to two other cargo ships which ply between Aqaba and Europe. The project to buy a new ship is supported by the shipping sources.

ACC states seeks to benefit from municipal experience

AMMAN (Petra) — Participants in an eight-day training course on municipal services in the four member states of the Arab Cooperation Council (ACC) Tuesday called for further coordination among the four ACC capitals — Amman, Baghdad, Cairo and Sana'a — in the field of health regulations.

In a statement issued at the conclusion of the course, the participants stressed the need for establishing new departments to supervise and ensure municipal and environmental sanitation.

They also called for establishing a municipal legal entity which could settle health and sanitation issues quickly and find sites for disposing hazardous waste which can not be dumped in municipal dumping sites.

WHAT'S GOING ON

The following listings are compiled from monthly bulletins and the daily Arabic press. Readers are advised to verify the listed time and place with the concerned institutions.

EXHIBITIONS

- * Exhibition of paintings depicting the Jordanian environment by Adel Al Sharara, Mohammad Ahsan and Hani Khazaleh at the Housing Bank Art Gallery.
- * Exhibition entitled "La révolution: 200 ans après" at the French Cultural Centre.
- * Exhibition of Ottoman textiles at Abdul Hameed Shoman Foundation.
- * Art exhibition by Mohammed Al Ameri at the Royal Cultural Centre.
- * Art exhibition by Huda Qasem in the Petra Bank Hall.
- * Open studio and workshop for artist Samia Zarni displaying paintings, sculptures and hand-printed fabrics. Location: off 2nd Circle, opposite Rosenthal (9:30-1:30 and 3:30-5:30).

LECTURE

- * Lecture entitled "Elements of Unity in the Arab History" by Dr. Abdul Aziz Al Douri at the Royal Cultural Centre — 6:00 p.m.

FILM

- * Feature film entitled "Blooming Youth" at the British Council — 6:30 p.m.

CONCERT

- * Concert by the National Musical Conservatory students at the Royal Cultural Centre — 6:30 p.m.

Jordan to attend conference on ozone protection

By a Jordan Times Staff Writer

official from the United Nations Environment Programme (UNEP), which is sponsoring the conference.

AMMAN — Minister of Municipal and Rural Affairs and the Environment Abdul Karim Al Dugmeh left for London Tuesday to join environment ministers from 55 countries at a conference on means of protecting the ozone layer from being depleted by man-made chemicals.

The three-day conference, opening Wednesday, is expected to decide on major amendments to a three-year-old agreement on protecting the ozone layer and establishing a fund to assist less developed countries eliminate ozone-depleting chemicals.

Junior officials have been meeting in working groups since June 20 to lay down the groundwork for the agreement, which was signed in 1987 and went into force in January 1989.

Conference officials said there was wide support among the delegates for an amendment calling for a complete phase-out of the use of ozone-depleting chlorofluorocarbons by the year 2000 and for further reductions in related substances.

The present agreement calls for a 50 per cent reduction by the end of the century, according to an

official from the United Nations Environment Programme (UNEP), which is sponsoring the conference.

The official said that the projected fund is expected to total \$220 million for the coming three years and that the World Bank, UNEP and the United Nations Development Programme (UNDP) could be requested to conduct the fund's overall administration.

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Guest Editorial

By Faisal Farah

The ready alternative

ARAB nationalism, as an ideology, has almost vanished, having been dealt heavy blows from the right, represented by the Islamic political movement, from the left, meaning socialists and communists, and from below and above by individual Arab states' narrow interests. Arab nationalism, as an ideology, has had no alternative but to disappear in this air only to become an intellectual luxury enjoyed by a few Arabs. It is not strange to see the erstwhile predominant ideology in the Arab World receding under such blows that have been directed at it from all directions starting with the decade of ascendancy and decline in the 1960s, the decade of oil wealth in the 1970s and finally the traumatic decade of the 1980s that we have just bid farewell to. The ideology may have almost disappeared, but it has not completely bowed out. It still has the chance to make a comeback and consolidate itself and its position, not only in seminars and intellectual dialogues but also at grassroots level and amongst the Arab masses.

Those who have nothing in common except their enmity towards nationalism in general and Arab nationalism in particular have succeeded to sustain it in some form or another, rendering them incapable of fighting back or even helpless.

In the socialist camp, for instance, and following 70 years of applying and imposing economic, political and informational ideology, nationalism has re-emerged and continues to make headway all the time.

In the camp set to exploit Islam to gain power, the experiments of (Syria's ex-strategists) Nemehi, (Iran's) Khomeini and (Pakistan's) Zia Ul Haq have all failed because those leaders had failed to provide practical solutions to problems of the modern age. Those leaders had thought that fanning interest on funds and banning alcohol and imposing penalties in accordance with Sharic law were sufficient tools for the establishment of a modern state. As to individual Arab states, they have discovered that an increase in population, like Egypt, or vast wealth like the countries of the Arab Gulf region or abundance of natural resources, like Saudi (though unemployed), can by no means ensure the security and stability needed for development, progress and success.

Arab nationalism is not bourgeois and was not supported by the bourgeoisie simply because Arab industrial capitalism does not exist. The oil wealth on the other hand convinced many countries that they have an interest in Arab unity. Arab nationalism is not heresy nor is it hostile to Islam because it cannot ignore or abandon Arab culture and heritage. Pan-Arab unity does not mean doing away with Arab entities or regimes and individual privileges because we have not yet reached the stage of total merger. We aspire only to transform the Arab order (the Arab League) into a confederation grouping all Arab countries with no one giving up anything except a tiny measure of sovereignty for the sake of creating a framework of unity which in return can give back security, weight and respect and can provide protection on the internal and external fronts.

The new developments in the Arab and international arenas mean that the chance is available for breathing life once again into the Arab nationalist movement.

ARAB PRESS COMMENTARIES

AL RA'I Arabic daily Tuesday voiced pride in the Jordanian Armed Forces and security men who, it described, as forming a real shield providing protection to the Arab homeland. Noting that a new batch of men will join the armed forces and the public security at a graduation ceremony to be held under Royal patronage Tuesday at Mutta University, the paper said that the armed forces and those men who strive to ensure the safety of the internal front are a source of pride for all Jordanians, because they will be joining the ranks of men who had served and continue to serve their country and attain the objectives of the Great Arab Revolt. Today is another occasion of delight for Jordan as it watches its armed forces being strengthened in the face of the common enemy that has been harbouring hostile and ambitious designs against the Arab nation, the paper added. The mission which the armed forces have been carrying all along, the paper said, is that of the Great Arab Revolt, the principles of which have been guiding the leadership of Jordan in the face of challenges and have been instrumental in bolstering the Kingdom's steadfastness in the face of blackmail and threats.

A columnist in Al Ra'i daily Tuesday reflected on last month's Arab summit in Baghdad which, he said, manifested the Arab nation's realisation of the situation in Palestine and the need to bolster the steadfastness of the Palestinian people, and Jordan which has been spearheading efforts all along to serve the Palestine cause. Khaleel Mahdien said that the Arab leaders at the summit have expressed their keenness on safeguarding Jordan's security and bolstering its economy and defence as a way for serving the Palestine cause. Any concern for Palestine and the Palestinian people is closely linked to Jordan which has been living through continuous sufferings and continued steadfastness despite its meagre means and limited resources to safeguard the Arab nation's interests in general and the Palestinian people's rights in particular, the writer continued. He said that the tragedies that befall the Palestinian people have been shared with their Jordanian brothers; and the injustice done to those on the occupied territories have been felt deeply and painfully by their Jordanian brethren since the outbreak of the Arab-Israeli conflict.

Sewi Al Shaa daily said that the earthquake which struck Iran, killing tens of thousands of people and displacing hundreds of thousands of others could now be turned into a starting point for real Arab-Islamic solidarity. The paper said that the sympathy displayed by Arabs and Muslims with their Iranian brothers and sisters can only reflect the deep spiritual links binding the Arabs and Muslims throughout history. The Arab World, spearheaded by Iraq which fought an eight-year-long war with Iran, has rallied to provide assistance to the Iranian nation in an unprecedented manner; and that could usher in a new stage of fruitful and constructive relationship in days to come, the paper added. It said that the Gulf conflict which was perpetrated by imperialist powers to distract the Arabs and Muslims from their common Zionist enemy has now resulted in a striking solidarity which can make both sides forget the wounds of the past and open a new chapter in their relations.

Economic Forum

Import substitution versus export-led growth

By Dr. Abdalla Malki

More than one way lead to successful economic development. Although there are a plenty of models of growth, development economists reckon that none of them is good for all development countries or good for a particular country throughout all phases. It seems that the efficient growth model is the one that is constantly revised, i.e. changed, to allow for the changing circumstances of the country concerned. This is probably why we define economic planning as a "continuous" process which is, moreover, a "consistent" one in the sense that all efforts are geared towards achieving one grand objective, that is transition into the status of a developed economy.

One way believed to lead to successful development is the so-called export-led growth

where the economic engine is fuelled mainly by exports. Exports are important in the context of economic development on two counts. First, they bring in foreign exchange, that is purchasing power used for acquiring the inputs normally not produced by a developing country such as capital goods and certain raw materials or intermediate goods. Second, exports help to bring more resources under utilisation and thus enable a developing country constrained by domestic factors to break through foreign boundaries and get round the smallness of its domestic market.

The outstanding example of a successful economic development based on exports is that achieved by the small tigers of

South-East Asia. The unsuccessful examples are to be found in the experience of Latin American countries. Irrespective of the host of factors that contributed to the success of the former and failure of the latter, development economists are under the impression that one important factor was plausibly that South-East Asian countries chose to emphasise the exportation of light manufactured goods while Latin American countries embarked on the manufacturing and exportation of heavy goods (cars, tractors etc.) and intermediate ones (steel). These are capital intensive and technology extensive industries which require skilled manpower and have to be produced on mass to cut down their fixed costs and render them competitive.

Developing countries have no advantage in these fields and, therefore, they fail as they did in Latin America. Light industry strategy gets round these disadvantages and enables a developing country to make effective use of "surplus" low cost labour. This was exactly what South-East Asian countries did.

That was one of the lessons development economics seems to have learned. Another equally important one is that the strategy of export-led growth works only in the presence of national commitment to the cause of exports. Obviously, the emergence of a prosperous export sector needs more than the desire to have one and more than producing exportables. To compete for

foreign markets, national exports have to be competitive not only in terms of price but also in terms of quality. Modern marketing methods and techniques have also to be applied in order to introduce exportables to the foreign consumers. More important still is the need sometimes to extend finance to exporters or even to importers. To discern the formidable challenges facing the export business, one has to remember that Jordanian exports for example will have to encounter in their traditional export markets (neighbouring Arab countries) all sorts of goods exported to those neighbouring countries as diverse as Japan, West Germany, Britain, France, Taiwan, Australia, Turkey and South Korea.

A less harsh alternative to

Theology and politics mean clout for Indonesian Muslim leader

By Jon Miller

JAKARTA, Indonesia — Tolerance is a word one hears a lot in Indonesia, and that suits Abdurrahman Wahid just fine. Liberalism, on the other hand, is a word to be whispered in private, among trusted friends. And that, Wahid thinks, is a shame.

Because Wahid, the most popular Muslim leader in the world's most populous Muslim country, is a liberal. And he's fast emerging as one of Indonesia's most influential political figures.

"Of course, I conceal my religious attitudes in Indonesian political jargon," he says with a laugh. "I don't use words like militarism, repression, things like that. Instead I say, 'we must eradicate groupings in a primordial sense.' And this way the government does not object. But the people know what I mean."

Part humorist, part theologian, and part politician, Wahid is known from the remotest villages to the presidential palace. A religious scholar in a nation where the separation of "church and state" is rigorously protected, he occupies a privileged place in a determinedly secular universe of technocrats and military men.

Part of Wahid's clout comes simply from the numbers. The religious organisation he heads, Nahdatul Ulama (NU), has 30 million members and is by far the largest Muslim group in Indonesia. The country itself is the fifth largest in the world in terms of population with more than 170 million people, most Muslims. With regional considerations weighing heavily in national politics, it helps that Wahid's associa-

tion, whose members are organised in "pesantren," or Islamic learning centres, are concentrated in East and Central Java, the traditional seats of Indonesian power.

But more important is the fact that NU has built its political platform on the principle that it will never challenge the ruling party's right to govern so long as that party respects and upholds the Indonesian constitution. It's a peculiar platform for an "opposition group," and especially a religious opposition group, but it's squarely based. Wahid says, on Shafite law, the dominant school of Islamic law in Indonesia.

"Shafite law is concerned with reality, and for the Shafites, the reality is that the state is not always an Islamic one," he says. "Indonesia is a republic, not an Islamic state. It's the republic of all the people of Indonesia. And we think it was intended by God that we should live together in one state. That is why we, Shafites, can accept the national law — a law which is applicable to all, but which is not necessarily Islamic."

The one stipulation is that all people must be allowed to practice their religion freely. "A government can be non-Muslim, just as long as it isn't anti-Muslim," he says. And while he personally prefers liberal democracy, with a strong emphasis on individual rights, he says that neither the Koran nor Shafite law specifies precisely how a country should be run. "There is consensus about the specific," he adds, "but the basic point is agreed: Islam rejects anarchy."

Since it was founded by

Wahid's grandfather in 1926, NU has been partial to secular, constitutional democracy. Yet until recently it was known as a conservative organisation, more interested in the development of its own network of religious communities than in national politics.

Even today, most of NU's energies are devoted to community development. It is now establishing a system of small "people's banks" in towns and villages throughout the country. "We want to encourage the development of strong small and medium-sized entrepreneurs, with an effective network that will enable them to compete with the conglomerates, the big companies," Wahid says. A critique of bureaucracy and big business, he believes that a healthy middle class is the key to effective democracy.

Ironically, it was only by getting out of the political system that Wahid was able to gain the sort of influence he now has.

In 1973 President Suharto's political-military coalition called Golkar formed two "rival" parties to create the semblance of a multiparty democracy. All the major Muslim groups were lumped together in one of those parties — a move calculated, Wahid says, to neutralise Muslims bent on strengthening the bond between Islam and the state. The strategy worked. Islamic nationalists were marginalised, and NU, probably the most "mainstream" of the Muslim groups, was sucked into a political game whose outcome was determined in advance.

In 1984 Wahid was elected

chairman of NU on a platform that included withdrawing from the official Muslim party. While its stances changed to that of a "socio-religious organisation," the move essentially freed NU to become a pressure group — and a pressure group with an extensive, well-organised constituency.

"We know that the political parties don't play much of a role. So it's more important to make contact with the bureaucrats, with the military," Wahid explains. "The Muslim party was just sort of a wastebasket. It was never intended to have any real power; but now we are in position to influence everybody."

Influence is a valuable commodity in the arcane world of Indonesian politics. And Wahid's influence extends directly to the president. Most of the political discussion in Jakarta today concerns who will succeed President Suharto if he decides to step down when his fifth term ends in 1993. Wahid says he is resigned to the idea that the next government will be controlled by the military, and he has told Suharto that NU's only concern is that the constitution be upheld during the transition. That means no witch hunts, no assassinations, no cracking down on dissent.

"The president knows that if he acts against the constitution, I will send 2 million people into the streets of Jakarta," he says matter-of-factly. If Wahid takes easily to power, he certainly eschews its trappings. A heavy-set man with thick glasses, he wears loose old shirts and battered sandals. His office, in a shabby building on a noisy downtown street, is tiny and cluttered. He has no



telephone in his home, and the only phone in the office is on a table in the hall.

In conversation, he is good-humoured and informal, changing subjects with sometimes exasperating ease. His speech is punctuated by bursts of laughter. He clearly takes pleasure in academic inquiry and approaches political questions with a scholarly detachment.

He says he considers himself an Islamic traditionalist, but he traces his ideological development to diverse — and decidedly non-Muslim — sources. "My education in liberalism came from the Communists," he says, laughing. "From Gramsci, in Italy. He influenced me with his humanised socialism." For help with tactical politics he looks to the work of India's Mohandas Gandhi and Martin Luther King from the United States.

Wahid was born in 1941. His formal training in Islam came from three high-school years in a remote "pesantren" in Central Java; then from university studies in Egypt and Iraq. As a student, he found the conflict between Israel and the Arab World to be "a very valuable study," but his Javanese grounding in tolerance proved to be slightly out of step with prevailing attitudes in the traditions.

When I was in the Middle East, I really came to see how close Islam, Judaism and Christianity are," he says. "We Muslims could learn much from both traditions."

As an Islamic scholar, Wahid is known as a "contextualiser," looking for Islam's relevance to specific Indonesian conditions and regarding the holly book as both a historic document and a spiritual guide. The Koran was revealed at a particular time and place, he says, and constant reinterpretation is necessary.

World News Link.

Haiti faces violence, political instability

By Edwige Balutansky
Reuter

PORT-AU-PRINCE, — Haiti's fragile political equilibrium, reached just three months ago after Military Ruler General Prosper Avril was forced out of power, is threatened by a surge in violence that may also undermine the nation's planned autumn elections, diplomatic sources said.

A leading member of Haiti's council of state died this week from wounds suffered when four gunmen, two wearing military uniforms, boldly opened fire at a gathering of the council.

A union leader also died in the daylight attack and another was seriously injured.

The shooting — and the growing conflict between the council and Haiti's Provisional President Ertha Pascal Trouillot — threaten to delay the government's plan to hold elections in September.

Haiti, the poorest nation in the Western hemisphere, has seen two coups and five different governments since the ouster of dictator Jean-Claude Duvalier in 1986. In March, Military Ruler Prosper Avril stepped aside and Trouillot was named as interim president until elections are held. The 19-member council and Trouillot, who is supported by some members of Jean-Claude Duvalier's former regime, are supposed to share governing power. But Trouillot's appointment earlier this month of a finance minister known to be a Duvalier loyalist again escalated the friction.

Over the weekend, the finance

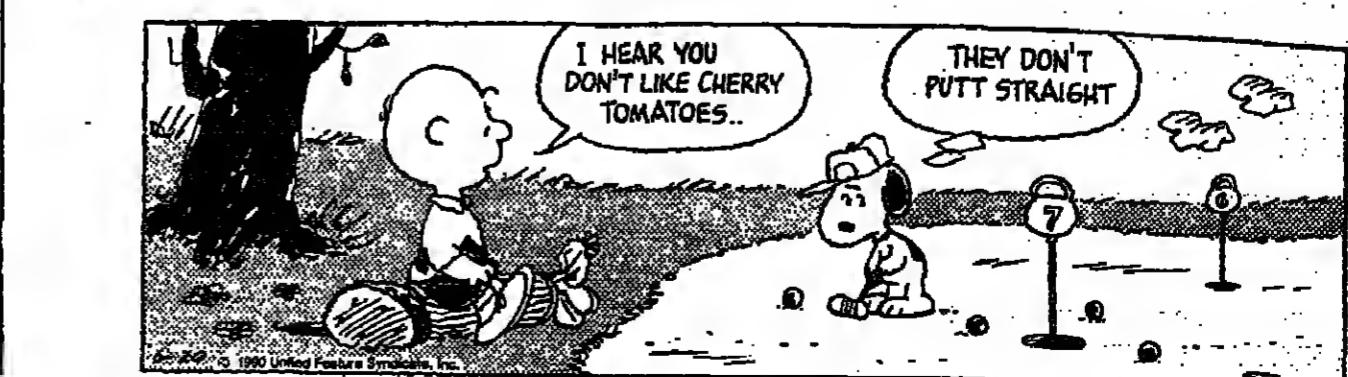
Mutt'n'Jeff



Andy Capp



Peanuts



Dr. Abdalla Malki

Iranian quake jolts political status quo in Middle East

By Nassir Shirkhani
Reuter

NICOSIA. — The earthquake which devastated northwest Iran last week also demolished entrenched political taboos, handing President Ali Akbar Hashemi Rafsanjani a golden opportunity to end a decade of international isolation.

Political analysts said massive foreign aid pouring into the country, a pariah on the world scene since the Islamic revolution in 1979, strengthens Rafsanjani's hand in his quest to open Tehran's diplomatic door to longtime enemies.

The white-turbaned cleric has taken personal charge of relief operations following the quake which killed an estimated 50,000 people and made half a million homeless.

Friends and foes have been arriving in Iran at a hectic pace, bringing in vital supplies for the victims — much to the disgust of the president's radical opponents.

These rivals, who had portrayed the West as an evil world hostile to Iran, initially cried foul but the scale of the disaster soon left them numbed.

The disaster has brought the Iranian and Western peoples emotionally closer and created a good deal of goodwill. All this augurs well for Rafsanjani," said Bager Moin, a London-based writer specialising in Iranian affairs.

"The West however should not press Rafsanjani for immediate diplomatic rewards. He will undoubtedly try to repay the West in due course, carrying with him the goodwill of the Iranian people," he said.

Gratitude could come in the form of help for the release of Western hostages held by pro-Iranian groups in Lebanon.

The swift and generous Western aid — far exceeding that offered by the Muslim World — has also changed the stereotype image of the United States and its allies among ordinary Iranians as uncaring and exploiters of the poor.

"You cannot get people to go into the street and shout death to America when they are being kept warm by blankets donated by America," an Iranian journalist said.

The United States, better known as the great satan in Iran since the 1979 Islamic revolution, was one of the first

to offer help and Tehran swiftly accepted.

This would have amounted to political suicide before the earthquake.

The U.S. government and American private agencies have sent more than 40 tonnes of supplies and hundreds of thousands of dollars to help the victims.

Iran has even welcomed an offer of aid from its Gulf war foe Iraq and two plane loads of supplies arrived from Egypt, which backed Baghdad in the war and gave asylum to the deposed Shah.

A Western diplomat said of Tehran's acceptance of Iraq's offer: "This must have been quite a big one to swallow. One can be hopeful they have really got over their psychological animosity towards Iraq."

"There are signs the more pragmatic people have come out on top. They're progressing slowly but with lots of problems. The earthquake, if one looks at it from that point of view, will have a beneficial effect. I hope the West doesn't ram home the message too hard," he said.

Britain, whose relations with Iran have been in tatters over

Opium flourishes in Pakistan

By Ibrahim Khan
Reuter

KARACHI. Pakistan — It has been a good year for Pakistan's opium growers, who expect to produce more than 17 tonnes of the raw material which will go to make much of the world's heroin.

With most of the crop already harvested in Pakistan's lawless tribal belt along the Afghan border, last year's 135 tonnes of opium will be easily surpassed, a drugs expert told Reuters.

The increased flow of heroin and hashish is expected to increase pressure on Pakistan's poorly equipped law enforcers, who face drug traffickers possessing speedboats, rocket launchers and assault rifles.

Pakistan and Afghanistan together form the second biggest opium growing area in the world. Rain at exactly the right time this year means a bumper yield despite efforts by the government to persuade farmers to stop growing poppies.

"From all I hear about the (Pakistan) harvest that started in May we expect an increase of 30 to 40 tonnes of opium," said the expert, who asked not to be identified.

Traditionally, four or five times as much opium is grown across the border and is brought to Pakistan's semi-autonomous Khyber and Mohmand tribal regions for processing into heroin.

Every 100 tonnes of raw opium refines down to 10 tonnes of pure heroin, but much of the output from the estimated 100 processing laboratories in Pakistan is of lower purity.

The potential profits are stupendous. One kilogramme of pure heroin costs a smuggler \$4,000 on the northwest frontier. That same heroin is worth about \$60,000 by the time it gets to London and \$100,000 in New York.

Much of it is smuggled out across the heavily guarded Indian border in the east or through Iran in the west. Most of the rest goes by air or from Pakistan's southern coast.

The 750-kilometres coastline is thinly populated and strongly favoured by heavily-armed traffickers moving huge quantities of hashish.

Customs men armed with vintage rifles face a tough battle against smugglers using 350 horsepower launches and the latest weapons.

"We are far behind the drug smugglers," Karachi Customs Chief Jahangir Khan said in an interview.

In a recent encounter at sea, a rocket fired by traffickers killed three coast guards.

"In another rocket attack, smugglers knocked off the canopy of a customs vessel at sea off Gwadar port," Khan said.

Afghan guerrillas fighting the Soviet-backed government in Kabul are widely considered major players in the drug trade. But poppies are also seen as an easy cash crop by refugees returning to Afghanistan as the country's civil war winds down.

Pakistani and Afghan heroin supplies constitute up to 30 per cent of the U.S. market and has a bigger share of the Western European market.

Euphrates water — and the saga continues

By Emel Anil
Associated Press

ANKARA, Turkey — Arguments about water are complicating relations with Arab neighbours that Turkey spent a quarter-century building.

A conflict over the waters of the Euphrates River has soured relations with Syria and Iraq. Reports that Turkey planned to sell water to Israel have angered the Arab World generally.

Libya refuses to pay \$250 million it owes Turkish construction companies, citing increased friendliness between Turkey and Israel, a diplomatic source said privately.

Economists and scientists say rapidly growing populations in the Middle East could cause a disastrous water shortage.

Turkey has plenty of water, much of it running unhampered into the surrounding seas.

It averted one dispute over the precious resource by backing off a proposed project with Medusa Inc. of Canada for moving water from the Manavgat River in southern Turkey to other countries, government and company officials said.

Medusa has developed a technology for transporting water in huge, balloon-like plastic containers pulled by ships.

Italy showed interest in using the method to transport water to the islands of Sicily and Sardinia, and Israel also was looking into it, the officials said.

Turkish officials described the project, requiring an investment of about \$200 million, as a private venture with no political dimension. They said private firms would buy and ship the water for other countries.

Arab nations apparently did not accept that explanation, which ignored the fact that the Turkish government would be

selling the water, and Turkey did not go through with the deal. Medusa, worried about possible terrorist action, also was said to be having second thoughts.

Foreign Minister Ali Bozer said in a recent statement that "there is no project to sell water to Israel."

He also said Turkey had not received a positive reply to a proposal to provide "friendly Arab countries" with water.

His reference was to the "peace pipeline" proposal put forth several years ago by Turgut Ozal, then premier.

Turkish officials described the project, requiring an investment of about \$200 million, as a private venture with no political dimension. They said private firms would buy and ship the water for other countries.

Shelving the water transport project may have averted a political crisis, but no simple solution is possible in a dispute over Euphrates water.

Turkey blocked most of the river's flow in January to raise the water level in the reservoir of the Ataturk Dam, being built as the centerpiece of a huge irrigation and power project in southeastern Turkey.

Syria and Iraq protested the action, which demonstrated Turkey's stranglehold on the vital waters.

The Euphrates originates in the mountains of eastern Turkey and flows 2,350 kilometres through Syria and Iraq to confluence with the Tigris River that empties into the Arabian gulf. The two rivers have been the lifelines of one of the cradles of world civilisation.

Water disputes have threatened to undo a generation of Turkish efforts to improve relations with the Arabs. Turkey has supported Arab causes in international forums, joined the Islamic Conference Organisation (ICO) and demoted relations

with Israel from the ambassadorial to minister-counselor level.

Syria and Iraq now demand talks with Turkey on an agreement to specify the exact amount of water each will receive from the Euphrates. Turkey has suggested a ministerial meeting in Ankara, but Turkish officials say privately they have no intention of accepting a quota system.

There are no international rules to force Turkey into a sharing agreement, government officials say, and they describe the demands of the two southern neighbours as excessive.

At a meeting last year, Iraq demanded 25 billion cubic metres of water and Syria 14 billion from the average annual flow of 32 billion cubic metres, the Turkish officials said.

Instead, Turkey had offered free electricity to Syria and joint irrigation projects to both countries.

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Pakistani and Afghan heroin supplies constitute up to 30 per cent of the U.S. market and has a bigger share of the Western European market.

Is the American flag for burning?

By Robert Green
Reuter

WASHINGTON. — A supreme court ruling that dissenters have a right to burn the U.S. flag has reignited furious debate over whether America's reverence for its stars and stripes should outweigh its respect for political freedoms.

In what may seem to others as peculiar — and peculiarly American — use of priorities, the hot topic of argument and congressional action has suddenly shifted from issues like world peace and the national debt to whether the constitution should be amended to outlaw desecration of the flag.

The court started it by ruling on June 11 that a federal law prohibiting flag desecration for any reason was an unconstitutional violation of the right of free speech.

President George Bush and many congressional leaders said this was just what they had feared and the only solution was to amend the constitution so that the country's cherished 18th century founding document would not be tampered with to stifle unpopular viewpoints and note that the bill of rights — its first 10 amendments, protecting basic freedoms including speech — has never had a word changed to date.

They say the constitution must not be tampered with to stifle unpopular viewpoints and note that the bill of rights — its first 10 amendments, protecting basic freedoms including speech — has never had a word changed to date.

The national anthem, "the star-spangled banner", is a song of praise for the flag and how it survived a night of bombardment by the British at a Baltimore fort in 1814. Some people get mystified when they sing it.

Some democrats think the current furor is an election year

ploy by Bush and his republicans to make them look un-American as voters prepare for congressional and local elections in November.

The current flag row began last year when the supreme court overturned a Texas law that made burning the flag a criminal offence if it were done as a political statement.

Democrats in Congress ignored calls for constitutional amendment at that time and pushed through, instead, a federal law banning flag desecration for any reason, thinking that might avoid the free-speech catch. That was the law just overturned.

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Jordan Times

JORDAN MARKET PLACE

Saudi Arabia offers state bonds to foreign investors

BAHRAIN (R) — Saudi Arabia has offered its state bonds to foreign investors in a dramatic policy turnaround aimed at widening its secondary market for the instruments, Gulf-based bankers said Tuesday.

They said the Saudi Arabian Monetary Agency (SAMA) had told commercial banks in the kingdom they could sell the two to five-year development bonds — issued since 1988 to help cover budget deficits — to several new categories of investors.

This included banks operating in the Bahrain-based offshore market, overseas branches of Saudi firms and any institution incorporated within or simply resident in the six-member Gulf Cooperation Council (GCC).

The GCC groups Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE) in an economic and political alliance.

Bankers said the move, the latest in a series of steps by SAMA to broaden the bond market, indicated the kingdom would rely on the instruments as a source of cash for years to come.

New buyers were needed because there was a limit to how many bonds Saudi institutions could take up, they said.

"It's a 100 per cent turnaround of their previous policy — our understanding for years has been that the Saudi authorities are not keen to see the riyal issued as an international currency," one senior Bahrain-based banker said.

No one is saying how many bonds have been issued so far but bankers say commercial banks

have taken around a third of the total and state-owned institutions the remainder.

Brokers said SAMA's decision to offer the bonds outside the kingdom was a major step forward in the development of Gulf capital markets.

"It is a long-awaited move by dealers who would like a further degree of sophistication in what has been a basically simple market in the past," Jonathon Peever, director of Charles Fulton Gulf W.L., told Reuters.

Bankers say there has been little activity offshore so far but many enquiries, particularly from Bahrain-based banks.

Peever said Charles Fulton, an international money brokerage firm, had handled a couple of deals for the bonds but declined to give details.

SAMA launched a secondary market for the regular 1.5 billion riyal (\$400 million) offerings late in 1988 by allowing its 11 commercial banks to sell the paper to Saudi firms and citizens.

Enthusiasm was dampened by competition from higher-yield interbank deposits, tight liquidity and a high minimum repurchase amount of one million riyals (\$266,000).

Early in 1989, SAMA approved plans for six top Saudi banks — National Commercial Bank, Saudi American Bank, Saudi British Bank, Riyadh Bank, Al Bank Al Saudi Al Fransi and United Saudi Commercial Bank — to act as market-makers for the bonds.

It also cut the minimum repurchase limit for individual investors to 50,000 riyals (\$13,300).

No one is saying how many bonds have been issued so far but bankers say commercial banks

have taken around a third of the total and state-owned institutions the remainder.

A major obstacle has been the traditional preference by Saudis for short-term, high-yielding investments.

In compliance with an Islamic ban on usury, there is no fixed interest rate on the bonds which are issued every other week and pay twice a year a fixed sum or "cash flow" linked to specific government development projects.

But bankers can calculate a Western-style yield which they say has remained at a margin of 50 basis points above like-dated U.S. Treasury notes.

"This latest move gives foreigners with any appetite for Saudi risk an alternative source of investment which outperforms the U.S. Treasury market," one kingdom banker said.

Bankers said the step also gave the market a medium to long-term fixed interest asset which could be used as a benchmark yield for pricing new treasury products for riyals such as forward rate agreements and interest rate swaps.

SAMA sponsored a course on the instruments, known as derivatives, for Saudi bankers last week.

Peever said SAMA was also planning to establish a Saudi equivalent to the London interbank offered rate (LIBOR), a standard rate at which banks offer each other money, by August.

Japan turns table in trade talks with U.S.

TOKYO (R) — First U.S. negotiators told Japan how to run its economy, then Tuesday the tables were turned at crucial trade talks and it was Tokyo's turn to tell Washington how to turn around the world's biggest budget deficit.

Monday's opening session of discussions on ways of reducing a near \$50 billion surplus in Japan's trade balance with the United States, the cause of friction between the two capitals, made no apparent progress.

The U.S. side had asked Japan to take a series of concrete steps, such as pledging higher public spending, to remove what Washington sees as persistent barriers to free trade.

Officials of the two countries met Tuesday at the foreign ministry in Tokyo to resume their Structural Impediments Initiative (SII) talks, still aiming to publish a final report this week.

Japanese officials say most of the U.S. trade problems are self-inflicted and want Washington to slash its huge budget deficits and make its industries more competitive.

They complain that the Americans have backed off on promises made in an interim SII report, published in April.

In this report, Washington said its top priority was to eliminate the federal budget deficit by 1993, as mandated by the Gramm-Rudman-Hollings (GRH) law, and to reduce government debt.

"However, in its draft of the final report, the U.S. said instead it will review GRH, implying its intention to postpone the deficit cut target," one Tokyo government official said.

"It was a sad surprise that the U.S. took back its original pledge," said another government official.

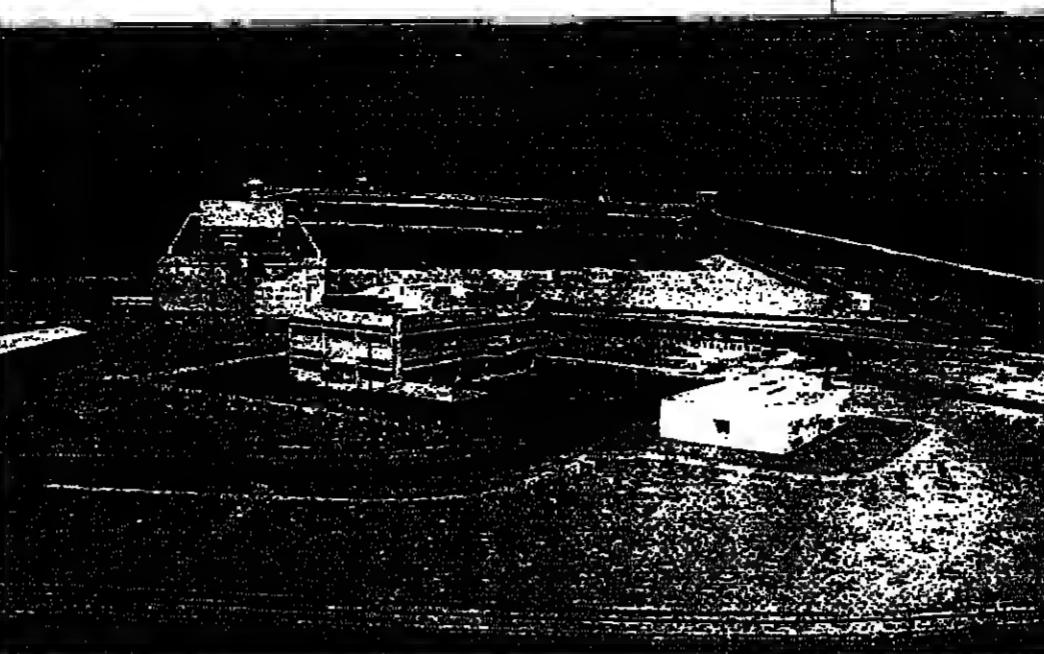
The White House has projected a budget deficit of \$138 billion for the fiscal year beginning in October, which rises to \$206 billion if the cost of bailing out insolvent savings and loan institutions is added.

One Japanese trade official said Tokyo wanted to persuade Washington to hold on to its open trade policy and to correct "inconsistent measures" taken so far.

Japanese companies in the United States say that, under a law brought in last year, foreign-owned companies there have a heavier tax burden than domestic ones.

They also say foreign investment is discouraged due to an unclear standard in applying a provision of the omnibus trade act which authorises the president to ban foreign acquisitions that threaten national security.

Tokyo wants the United States to refrain from abusive use of this provision.



The Arab Potash Company's loading plant in Aqaba (file photo)

Firm pursues plans for Dead Sea chemical complex

APC moves to increase its production capacity

By P.V. Vivekanand
Jordan Times Staff Writer

AMMAN — The Arab Potash Company (APC) has launched moves towards increasing its production capacity in the short-term and setting up a huge chemical complex on the shores of the Dead Sea in the long-term.

The short-term plan of the company call for achieving a capacity to produce 1.8 million tonnes of potassium chloride (muriate of potash) using a new technology by the year 1994 at an estimated cost of \$66 million. A contract has already been awarded to an international consultant to conduct a feasibility study, which is now expected to be ready by October this year, APC officials said.

The APC, which started full commercial operations in 1983, has already expanded its plant's design capacity of 1.2 million tonnes every year to 1.4 million tonnes — a target APC officials are confident of meeting this year after producing 1.3 million tonnes in 1988 and 1989.

"We expect to enter the design phase as soon as the study is completed," said Saleem Hawari, deputy general manager of the company. The study has been undertaken by consultants Jacobs of Dublin, Ireland, at a cost of JD 500,000, he said.

According to Nasser Al Sadoun, deputy managing director (technical) and plant manager, the APC has already "established the feasibility of the new 'cold crystallisation' technology through a pilot plant which has been running for the past one year."

Sadoun said "cold crystallisation" was a lot cheaper than the "heat crystallisation" process currently used to extract potassium chloride, the sole product of the company. The APC will be the second plant in the world to use the technology, according to Sadoun. An Israeli plant on the other side of the Dead Sea is the first.

The APC, which registered a turnover of JD 127 million and a net profit of JD 41 million in 1989, has also set its eyes on realising

its goal of setting up a massive complex to exploit the rich minerals contained in the residual salts being returned to the Dead Sea after extracting potassium chloride. It has already awarded contracts to conduct techno-economic studies on producing soda ash, fertiliser-grade phosphoric acid, potassium sulphate, magnesium oxide, sodium tripolyphosphate, dicalcium phosphate, potassium nitrate, chlorine and its derivatives, caustic potash, caustic soda, bromine and its derivatives, and an overall market study for the entire chemical complex project. The three different studies are worth a total of JD 2.05 million and are undertaken by Flou Daniel of the U.S., MOPA of France and Battelle of Europe — all of them in conjunction with the Jordanian Industrial Consortium Engineering Company (JICECO) — an affiliate of the APC.

The studies are financed by the Kuwait Fund for Arab Economic Development (KFAED), the Arab Fund for Economic and Social Development and the Islamic Development Bank. A preliminary study is expected to be ready in six months and the final reports are scheduled to be submitted in 17 months.

According to Hawari and Sadoun, as many as 32 different chemicals could be extracted from the Dead Sea at the proposed complex, which is expected to cost around \$2.5 billion, to be raised from Arab governments and agencies as well as other international sources.

Present plans envisage that the first phase of the project could be in place by the year 1995, and the complex could go in full gear by 2000. The project would probably be the first of its kind in the world.

An expert study of the mineral-rich water of the Dead Sea has found that it contains (extraction process-wise) 7.80 per cent of sodium chloride, 1.21 per cent potassium chloride, 14.38 per cent magnesium chloride, 0.48 per cent magnesium bromide. Estimates indicate that the Dead Sea could contain over 43 billion

tonnes of these salts. "The exact origin has been disputed by different scientists throughout the years, but the most logical explanation is that throughout the ages these salts have been leached from surrounding mountains and valleys," according to an APC brochure.

The Israeli plant at the Dead Sea is already producing some of the chemicals.

The present APC plant and facilities, located in an area of about 250 square kilometres (including 100 square kilometres of solar pans to precipitate the Dead Sea brine) at Ghor Al Safi, are worth about \$300 million, including the cost of modifications to the plant, according to Hawari. The company's main customers are India (33 per cent) and China (22 per cent), followed by other South-East Asian countries. "We export 85 per cent of our production to the east of Suez," Hawari said. The rest goes to Africa, Europe and the United States.

One of the relative advantages that the APC enjoys is a combination of freight factor and delivery schedules since the major international buyers of potash are in Asia and the Far East.

The company expects the same turnover this year as that of last year despite a slight decline in international potash prices. "Our increased production this year will compensate for the decline in prices," Hawari said. Fertiliser-grade potash now fetches about \$90 per tonne, reflecting a slump of \$6 from the average price in 1989.

The APC was set up in 1983 with a JD 4.5 million capital, which has risen to an equity capital of JD 72.45 million. The Jordanian government owns a majority of shares with 56.65 per cent followed by the Arab Mining Company (22.82 per cent), the Islamic Development Bank (5.52 per cent), the Iraqi government (1.518 per cent), the Libyan Arab Investment Company (4.34 per cent), the Saudi government (0.345 per cent) and other private individuals. It employs 1,550 people.

Americans ponder cost of mission to rescue thrifts

By Jacqueline Frank
Reuter

WASHINGTON — President George Bush has come under criticism for plans to send a manned spacecraft to Mars faster and cheaper than U.S. savings and loans institutions can be bailed out of a multi-billion dollar crisis.

Savings and loans, once modest local thrift and home loan institutions, grew fat during the deregulatory drive under President Reagan. Now the American taxpayer is footing the bill for bankers' bad judgement and largesse.

Congressional critics say Bush must have been day-dreaming to think the United States could afford \$400 billion to plant the American flag on Mars.

When those astronauts step out onto the red planet in the next century, back on Earth their fellow taxpayers will still be paying a bill of between \$500 billion and \$1,000 billion for the savings and loans fiasco.

They will be paying for glitzy international gormandising, miniature swimming

pools for pets, and million-dollar parties where lion and antelope were on the menu. Not to mention just plain bad lending practices.

"You can't go to Mars on a credit card," House Budget Committee Chairman Leon Panetta, a California Democrat, said last year as he chastised Bush for making such expensive plans when the government is hemorrhaging red ink.

Washington plans to pay for bailing out savings and loans with 40-year bonds, saddling two generations of taxpayers.

It could cost \$2,000 per person if the final bill, with interest, balloons to \$500 billion as expected by comptroller General Charles Bowsher.

Treasury Secretary Nicholas Brady estimates the bill at \$130 billion, only \$600 per American taxpayer.

There were 2,878 savings and loans operating at the end of 1989 after more than 300 were taken over by the government. The congressional budget office has estimated that as many as 1,000 savings and loans might eventually be

closed.

"For just about any kind of fraud you can think of we can find you an example of it," said William Seidman, chairman of the Resolution Trust Corporation, the agency overseeing the sale of assets of the failed thrifths — including 36,000 properties and \$3.6 billion worth of high-risk junk bonds.

Washington also gives back depositors up to \$100,000 of their money otherwise lost in the savings and loans.

Seidman estimates serious criminal fraud occurred in about 60 per cent of the thrifths the government has seized.

Don Dixon, indicted last week for fraud, was one of the high-fliers who took advantage of savings and loans to get rich quick. He left behind legends of wild spending and a financial collapse at Vernon savings and loan in Texas.

Dixon allegedly used savings and loan money to buy aircraft, a huge yacht, rent a beach house and more. His wife Dana dubbed their two-week European tour "gastronomique fantastique" because they dined in seven three-star European restaurants.

Iraq calls for higher oil price

KUWAIT (R) — Organisation of Petroleum Exporting Countries (OPEC) heavyweight Iraq Tuesday rejected calls by the United Arab Emirates (UAE) and Kuwait for a bigger share of the oil market and said the cartel should work instead to increase prices by nearly 40 per cent.

"There should not be a review of OPEC members' quotas before a fair oil price is reached. In my view a fair price is definitely not below \$25 a barrel," Iraqi Deputy Prime Minister Saadoun Hammadi told a news conference in Kuwait.

He identified Kuwait and the UAE as the main culprits ignoring OPEC's production guidelines which are meant to reverse a 30 per cent slide in oil prices so far this year.

OPEC's current "minimum reference" price is set at \$18 a barrel but prices languish at between \$14 to \$15 because of the glut.

"I believe that prices will go up to \$18 if there is a cut of 1.5 million barrels by Kuwait and the Emirates," Hammadi said.

He said Western oil consumers would be prepared to pay \$25 per barrel and this could be achieved provided OPEC showed solidarity and restrained output.

He said Kuwait was also busting its 1.5 million bpd quota and said it reached two million bpd last month after hovering between 1.8 million to 1.9 million in previous months.

Hammadi was speaking after meeting Kuwait's Emir Sheikh Jaber Al Ahmed Al Sabah as part of a tour of the United Arab Emirates, Qatar and Saudi Arabia.

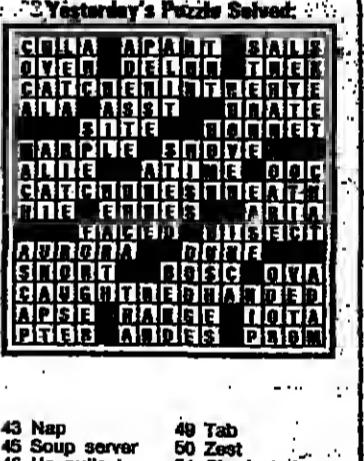
His remarks appeared to dash Kuwait's hopes outlined by its newly-appointed Oil Minister Rashid Salem Al Ameen Sunday.

The UAE also wants its quota raised to reflect the strength of its proven oil reserves. It claims they are the second largest, within OPEC, after Saudi Arabia.

Both countries strongly advocate keeping OPEC's official reference price at \$18 a barrel to encourage world demand for oil.

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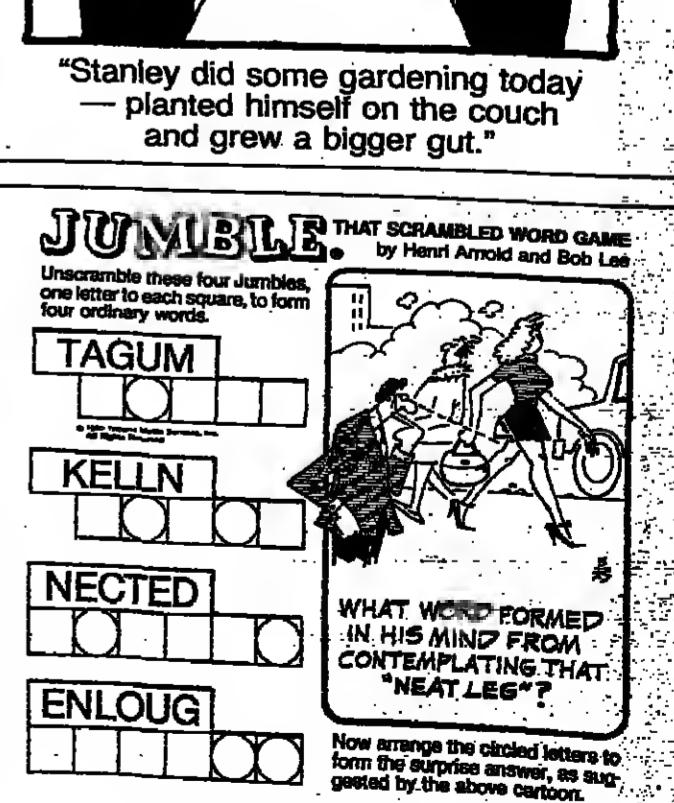
THE Daily Crossword



HARRIS-26



Stanley did some gardening today — planted himself on the couch and grew a bigger gut.



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: 44

(Answers tomorrow)

Yesterday's Jumble: FLOUT ELUDE ABSORB WEAPON

Answer: The best place to keep your weight down BELOW THE BELT

Sports

Germans underline potential for title

MILAN (R) — West Germany, compelling the Netherlands over arch-rivals the Netherlands over the hallmarks of champions.

Sunday's victory reflected the greater incisiveness and purpose of a West German team whose hard-running skills, determination and commitment underlined their claim to be the world's best.

Outstanding striker Jürgen Klinsmann and Inter Milan team-mate Andreas Breitner netted the goals which doomed the Dutch European champions to a premature exit in a stirring, full-blooded second round contest.

A penalty by Ronald Koeman a minute from the time left no mark on the fearsome reputation of a West German side who fully deserved their place in the quarter-finals.

But the West Germans must face Czechoslovakia next Sunday without striker Rudi Voeller, sent off with the Dutch defender Frank Rijkaard after a running foul midway through the first half.

The ugly incidents were triggered off by a bone-jarring tackle on Voeller by Rijkaard, who later spat at his adversary, and three more players were booked.

The duel was always going to be fought between neighbouring

soccer powers and arch-rivals.

The West Germans defeated the Dutch 2-1 in the 1974 World Cup final while the Dutch won by the same margin in the 1988 European championship semi-finals on the way to the title.

The West German challenge has been gathering momentum with every match.

In the group round, West Germany overwhelmed Yugoslavia 4-1 and the United Arab Emirates 5-1, eased off in a 1-1 draw with Colombia then burst back with a vengeance against the Dutch.

"The first two games showed all that was best about the West German game, taking on the Dutch defence as the lone front target man and making opening for his team-mates, including two for Matthäus in the second half.

Klinsmann, who tried to intervene and defuse the explosive feud between Voeller and Rijkaard, afterwards dedicated his goal to "my mate Rudi Voeller."

He came desperately close to a second, denied by the post when he fired in a splendid shot from a cross by Breitner.

Breitner celebrated his return after a one-match suspension with the goal which sealed victory, lofting a curling shot into the net five minutes from time.

Becker fights off qualifier to triumph in straight sets

LONDON (R) — Wimbledon champion Boris Becker made a stuttering start to his title defence Monday as a trio of qualifiers proved to be anything but easy meat for the mighty on the opening day of the championships.

The holder and second seed finally disposed of Mexican Luis Herrera 7-6, 7-6, 7-5 after wasting service break advantages in the first two sets and falling a break behind in the third to a player ranked 199th in the world.

Another qualifier, South African teenager Wayne Ferreira, provided the day's main upset by blasting 16th-seeded Frenchman Yannick Noah away 6-4, 6-3, 6-2.

"I've always been told I could play well on grass and this year I really tried hard. But I guess I'll never be a good grass court player," the 1983 French Open champion added.

Ferreira, an 18-year-old from Johannesburg, was merciless against Noah as he took advantage of the big Frenchman's lack of mobility on slippery number two court.

Ferreira, who won the U.S. Open junior doubles title with compatriot Grant Stafford last year, showed superb ground strokes and volleyed with wonderful finesse, constantly catching Noah going the wrong way — or not going anywhere at all.

"It was very, very soft, and very wet. It was like a stranger I haven't seen in a year."

He said it was very different from the court at Queen's Club where he lost in the final to Lendl eight days ago.

"It seems like there's more grass on it and it's almost too good a court. Queen's was much harder and not as slippery."

Becker, who was eliminated in the first round of the month's French Open, said he knew "Herrera was a player with a pretty good touch, not a power player but with good hands."

Ferreira, an 18-year-old from Johannesburg, was merciless against Noah as he took advantage of the big Frenchman's lack of mobility on slippery number two court.

Both vulnerable. South deals.

NOKH
♦ J 8 5
▼ A 7 4
◊ A K Q 8 2
♦ 9 6

WEST EAST
♦ A K Q 7 3 ♦ 9 4 2
▼ 9 ♦ J 10 8 3
◊ J 7 6 3 ♦ 5
♦ K 10 7 ♦ 8 5 4 3 2

SOUTH
▲ 10 6
▼ K Q 6 5 2
◊ 10 9 4
♦ A Q J

The bidding:
South West North East
1 1 2 2 Pass
2 2 Pass 4 1 Pass
Pass Pass

Opening lead: King of ♠

The average player looks no further than his aces and kings. The expert takes considerable pains over his spotcards as well. We would bet that 99 percent of declarers would fall in their heart game because of not realizing how important a card dummy's eight of diamonds is.

The auction was routine. Given normal breaks the contract would have presented no difficulty. As it was required superb technique by South to succeed.

The defenders started with three rounds of spades, declarer ruffing the last. South carefully led the ten of diamonds to the queen, then re-

turned to hand with the queen of trumps to lead the nine of diamonds, going up with the king. Since he had a sure trump trick West refused to ruff, but declarer's careful preparatory work now paid off handsomely.

After coming in hand with the king of trumps, declarer led a diamond and took the marked finesse of the eight. East had no recourse. If the declarer refused to ruff declarer would simply continue diamonds until East did, and the ace of hearts would still be dummy as an entry in any uncashed diamonds.

South did as well as possible by ruffing and shifting in a club. Declarer was not tempted. After shooting up with the ace, South crossed to the ace of hearts and cashed the good diamonds, discarding two clubs from hand.

Note that had South not blocked both the ten and nine of diamonds East could defeat the contract by refusing to ruff the third round of the suit. Declarer would be in hand and would be an entry short to take advantage of the high diamonds. Alternatively, East could ruff the second round of diamonds and the suit would be blocked.

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Lithuanian president meets Gorbachev

Prunskiene says moratorium proposal 'could save our dignity'

MOSCOW (AP) — Mikhail Gorbachev met Tuesday with Lithuanian President Vytautas Landsbergis as the parliament of the secessionist republic prepared to debate suspending its independence declaration, spokesman said.

The Soviet president invited Landsbergis to the unannounced Kremlin meeting, apparently to discuss Gorbachev's proposal that the Lithuanian parliament pass a moratorium on its March 11 declaration, said Haris Subacius, a spokesman in the information bureau of the Lithuanian Supreme Council parliament. An aide to Landsbergis also confirmed the meeting, but declined to comment further.

Landsbergis was expected to return to his capital of Vilnius later Tuesday, as parliament opened debate on a recommendation by Lithuanian Prime Minister Kazimiera Prunskiene to declare a moratorium on the independence declaration.

"The proposed temporary moratorium could save our dignity and at the same time promote the solution of the accumulated problems," the Soviet News Agency (TASS) quoted Mrs. Prunskiene as telling a news conference Monday.

Although the sovereignty declaration did not go as far as steps taken by the three Baltic republics, it did set the stage for the transfer of many powers from central authorities to elected governments in the 15 Soviet republics.

Mrs. Prunskiene and some Soviet officials have been searching for a compromise to resolve the impasse.

Soviet authorities partially lifted the embargo by resuming natural gas shipments to a Lithuanian fertilizer factory, amounting to 15 per cent of Soviet gas deliveries to Lithuania. Crude oil and gasoline shipments remain cut and many Lithuanian businesses have closed, forcing thousands out of work.

The Lithuanian parliament opened its session at 10 a.m.

His chances of forcing them to

retain their old status, or to accept recently passed Soviet rules governing secession, diminished this month when the Russian Federation, the largest Soviet republic, passed a resolution declaring its sovereignty.

Gorbachev proposed the moratorium as a condition for opening talks with the secessionist republic and lifting the economic embargo.

The Soviet president appears to be seeking a long-term agreement with Lithuania and its sister secessionist Baltic states, Latvia and Estonia, to keep them as republics in a newly constituted Soviet Union.

The proposed temporary moratorium could save our dignity and at the same time promote

(0800 GMT) but Prunskiene was not expected to propose the independence moratorium until late in the day, said Pauparas, contacted from Moscow.

Prunskiene's popularity has been rising rapidly among Lithuanians during the crisis, according to a poll released Monday and reported by the Interfax news agency. The same poll, conducted by the sociological research department of the Lithuanian Academy of Sciences, shows Landsbergis' popularity plummeting.

Prunskiene had a favourable rating among 61 per cent of those surveyed, followed by the deputy prime minister and leader of the breakaway Lithuanian Communist Party, Algirdas Brazauskas, with 50 per cent, the report said.

Landsbergis' rating has declined from 45 to 28 per cent since the independence declaration, it said.

Interfax did not report the poll's margin of error or say how many people had been contacted.

Senior army officers said last week that Kremlin policies had weakened national defences and eroded Soviet power abroad.

On June 19, army General Albert Makashov reproached the leadership for allowing Soviet forces to be driven without resistance from Eastern Europe.

"I consider it my moral duty to express my apologies to the peoples of Eastern Europe for the insulting and inadmissible remarks of certain of my fellow countrymen," Shevardnadze said, clearing alluding to Makashov's speech.

He said those who asked why Moscow allowed the changes in Eastern Europe to take place really meant to ask, "Why did we not use tanks for the restoration of order?"

"Have we really learned nothing? Do we really not remember the lessons of Afghanistan? Have we really forgotten 1956 and 1968?" he said, referring to the use of Soviet military force in Hungary and Czechoslovakia.

The remarks by Shevardnadze, a close ally of President Mikhail Gorbachev, indicated the Soviet leadership was steeling itself for more such attacks at next week's crucial congress of the Soviet Communist Party.

Salvadorean talks end without agreement

OAXTEPEC, Mexico (R) — Peace talks focusing on leftist rebel demands for reforms of El Salvador's army and security forces have ended without agreement, U.N. mediator Alvaro de Soto told reporters.

He described the talks aimed at reaching a negotiated settlement of El Salvador's 10-year war as positive, however, and "without precedent in the history of contacts" between the rebels and right-wing Salvadorean government.

"The negotiating commissions dealt in detail and profundity with the first subject on their agenda, which was the armed forces," De Soto said.

Reading from the text of a prepared statement he said "there have been no agreements yet." But he added that both sides, who are to meet again on July 20, share a "clear commitment" to meet a mid-September deadline for a ceasefire in the war which has killed over 75,000 people, most of them civilians.

The deadline, set during a preliminary round of talks in Venezuela last month, hinged on accords on a series of difficult military and political issues, including rebel calls for a purge of hardliners from the Salvadorean army.

De Soto declined further comment on the talks that began last Tuesday in the resort of Oaxtepec in central Mexico and which the United Nations attempted to shroud in secrecy for fear of disrupting the fragile peace process.

Police sealed off the city centre, and most suburban shops and gas stations were closed. Children who arrived at schools were immediately sent home.

Lusaka residents said gunshots could be heard in several districts and at least one large supermarket in Kabulanga suburb was broken into and looted.

In the first official statement on the unrest, hospital authorities said three civilians, including a three-year-old girl, died from gunshot wounds and 41 people were injured Monday.

"Doctors will remain frightened of making positive decisions because of laws which bear little relationship to modern, high-tech medicine," said Derek Humphry, the society's executive director and founder.

The spokesman gave no details of other police casualties or of how many protesters were arrested, but university students who led Monday's protests said up to 30 of their colleagues were detained.

The state-run Zambia Daily Mail reported Tuesday that more than 100 people were being held at police stations across Lusaka.

Frank Manga, spokesman at the main hospital in Lusaka, said most people wounded in the rioting were treated for gunshot injuries, fractures evidently from beatings with truncheons or rifle butts and lacerations from broken glass.

Early Tuesday, army helicopters flew low over. The Zambia University campus and key trouble spots nearby.

Student leaders meeting at the campus, however, vowed to continue with protests against a doubling of the price of Zambia's staple food, corn meal, and called for political reforms.

After its failure, Quebec's Premier Robert Bourassa said the

Soviet minister hits out at disgruntled generals

MOSCOW (R) — Foreign Minister Eduard Shevardnadze has hit back at disgruntled generals critical of Soviet foreign policy, saying developments last year in Eastern Europe had made traditional Soviet policy there indefensible.

"Foreign policy cannot defend a course which goes against general human ideas on equality, freedom, power of the people, democracy," he said in an article published Tuesday in the newspaper.

Senior army officers said last week that Kremlin policies had weakened national defences and eroded Soviet power abroad.

On June 19, army General Albert Makashov reproached the leadership for allowing Soviet forces to be driven without resistance from Eastern Europe.

"I consider it my moral duty to express my apologies to the peoples of Eastern Europe for the insulting and inadmissible remarks of certain of my fellow countrymen," Shevardnadze said, clearing alluding to Makashov's speech.

He said those who asked why Moscow allowed the changes in Eastern Europe to take place really meant to ask, "Why did we not use tanks for the restoration of order?"

"Have we really learned nothing? Do we really not remember the lessons of Afghanistan? Have we really forgotten 1956 and 1968?" he said, referring to the use of Soviet military force in Hungary and Czechoslovakia.

The remarks by Shevardnadze, a close ally of President Mikhail Gorbachev, indicated the Soviet leadership was steeling itself for more such attacks at next week's crucial congress of the Soviet Communist Party.

Romanian student leader who was feared dead appears on TV

BUCHAREST (R) — A Romanian student leader who was arrested and had been feared dead appeared on television Tuesday.

Mariam Munteanu, leader of the Students' League, was interviewed by Romanian television in a penitentiary hospital near the capital.

Munteanu, who was badly injured when miners rampaged through Bucharest earlier this month to crush opposition protests, said he was getting good medical treatment.

He denied charges of inciting the June 13-15 violence in which six people were killed.

Many students arrested during the unrest had said their interrogators — miners and policemen wielding cudgels — had told them Munteanu was dead.

Over 1,000 riot suspects were rounded up but the state prosecutor's office said Monday Munteanu was the only student among

Battle rages for control of army base in Jaffna

COLOMBO (R) — Sri Lankan forces bombed and strafed Tamil rebel positions around an army base in an old fort in Jaffna in the north to break a 15-day-old siege, military sources said Tuesday.

They said troops attacked with mortar bombs and helicopter gunships, which strafed rebels dug in around the base in the 350-year-old Dutch colonial fort.

Helicopters dropped food to the 225 soldiers and policemen pinned down in the fort by mortar, rocket and grenade attacks.

One officer and six soldiers were wounded in the fighting, the sources said. Rebel casualties were not known.

"They are determined to take it. We are determined to hold it," said Deputy Defence Minister Ranjan Wijeratne.

The security forces launched a counter offensive that cleared towns in the eastern province of rebels after the Tigers broke two ceasefire agreements.

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Chinese dissident plans to return to academic life

U.S. Air Base 100 kilometres west of London, at 11:30 p.m. (2300 GMT).

The official Xinhua News Agency said they were given permission to leave China for medical reasons after showing "signs of repentance." U.S. media reports said Fang recently suffered a mild heart attack and refused to undergo treatment in the U.S. embassy in Peking.

The couple had sought refuge there after the Chinese government's June 4, 1989, military crackdown on the pro-democracy movement.

Martin Rees, director of Cambridge University's Institute of Astronomy, said Fang will be a senior visiting fellow.

"We see our job as to help him get back into an academic environment," Rees said Tuesday. He said Fang's research would be on the early development of the universe.

Fang, an astrophysicist, and Li, a physicist, flew to Britain late Monday night aboard a U.S. Air Force transport jet from Peking. They landed at Upper Heyford, a

Quebec National Day parade draws 200,000 people

the 177 people still under arrest.

"From a medical viewpoint I'm all right. But I have these permanent headaches," Munteanu said in the interview, broadcast early Tuesday.

Mariam Munteanu, leader of the Students' League, was interviewed by Romanian television in a penitentiary hospital near the capital.

Munteanu, who was badly injured when miners rampaged through Bucharest earlier this month to crush opposition protests, said he was getting good medical treatment.

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